



Report to the Members of the Art Deco Trust year ended 31 August 2021 From the Chair, Barbara Arnott

It is my pleasure to report on the activities of the Art Deco Trust over the past 12 months.

And what a 12 months it has been!

I joined the Board at the last AGM in November 2020. I was elected Board Chair in December of last year.

In February 2021 together with the team, we cancelled our Summer Festival!

COVID-19

The effects of the COVID-19 continue to impact the Trust!

After launching the 2021 Art Deco Festival Napier programme in October last year and despite the Government's announcement that Covid restrictions in Auckland and the rest of New Zealand would drop to Level 2 and Level 1 respectively at midnight before the weekend, the Art Deco Festival was cancelled.

The decision to cancel ahead of Government's announcement on level restrictions was the right thing to do.

We know people ask why we couldn't have waited till the Prime Minister's announcement. The reality is that the Festival involves hundreds of events and event venues, with tens of thousands of festival goers over five days. This scale requires massive logistics and set-up in the days prior. Level 2 restrictions had already forced us to cancel the first two days.

What's more, whether we were in Level 2 or Level 1 by the Thursday, Alert Level 2 conditions were affecting our set-up processes and any prospect of trying to run the Festival under prolonged Level 2 meant many events could not have gone ahead.

We simply didn't have the luxury of time to wait and see what today's announcement would bring. Timing was everything, and in this instance, time wasn't on our side.

Having said that, we fully appreciate that many Festival goers from around New Zealand had already arrived in town, and many were still planning to come for the weekend, regardless, and they did. What's more, events that weren't happening under the umbrella of the Festival were able to go ahead.

The cancellation of the Festival followed a disappointing tourism summer season for Trust financially. When compared to previous 'pre-COVID' summers of international tourism numbers on our various walking tours, vintage car tours, these are significantly lower.

While Hawke's Bay has been experiencing its 'best-ever' months for visitor spending from an exclusive domestic tourism market, arts, cultural, and heritage focused organisations like the Trust are not necessarily of interest to many New Zealanders. We need to change that.

Add to this the impact of the cancellation of the Festival – that rather than contributing about \$20,000 to our bottom line, the cost of cancellation to the Trust was almost \$100,000.

Protected this coming year and last via the Government's Tourism Asset Protection Programme (STAPP) funding, the Trust was awarded \$500,000 in operational funding to be paid over two years to cover our projected losses. There is also a \$134,000 loan if we need it.

The Board

The cancellation of the Festival prompted a need for new thinking around the Board table and for the staff.

In March of this year, the Trust Board met for a strategic thinking day – a sort of grand outline for the next three years.

The job of creating a strategic plan for the organisation was then given to management to develop for Board adoption. Less a change of direction for the Trust - we are and always will be focused on our heritage - rather a road map.

The Board has charged the General Manager to review:

- Our Brand Story and Communications strategy;
- Our heritage role, our tourism operations and our events and other activities;
- Our key business relationships;
- Our people and culture; and
- Our Finances and assets

This work is being undertaken in a very considered manner – reviewing operations, income lines and expenditure. Data driven if you like – what evidence do we have to support the decisions we make day to day and year to year. Who are markets, where do our Festival ticket buyers live? Define who we are and what we stand for.

Our purpose is and will always be to preserve, restore, promote, and celebrate Hawke's Bay's Art Deco era heritage, our new vision for the future is to let the spirit of Art Deco shine on.

Thinking about who we are and what we do, the Trust as a guardian, a storyteller, and an interpreter of some of New Zealand's unique treasures. These three roles define what we do and how we do it.

Art Deco Trust is the guardian of a collection of beautiful art deco buildings constructed after the 1931 Hawke's Bay earthquake and fire;

The Trust is a storyteller of courageous people who were able to imagine a different kind of city and adopt the energy and optimism of a modern art and design movement to create it; and

The Trust is also the interpreter of the spirit of Art Deco to contemporary audiences in Hawkes Bay, New Zealand and beyond.

Guardian

Art Deco Trust came out of a group formed in 1985 to protect the unique 1930s buildings that for 50 years had been unrecognised, undervalued and were under threat of demolition. Thanks to the advocacy of a new generation of courageous people with vision, these heritage buildings are now recognised, valued, and protected. Through the Trust's Robert McGregor Heritage Fund, Napier City Council, the Heritage Working Group and donors to the Fund, grants are now available to help preserve and restore many of Hawke's Bay's Art Deco era heritage.

Storyteller

The story of how Napier rose out of the rubble and ashes of the 1931 earthquake is just the compelling opening chapter of a bigger and equally intriguing story of how Napier people, New Zealanders and many world-wide fell in love with treasures that had been hiding in plain sight for 50 years. There are the stories of those who created the buildings, of the battles lost and won in the fight to preserve the historic precinct, and of those buildings brought back from the brink.

Interpreter

Emerging after the First World War, the Art Deco Movement celebrated the modern age, the machine, and synthetic materials. Its designs were simple. Its spirit was optimistic and energetic. People had the opportunity to imagine a new future. Napier embraced the chance to modernise and bring beauty from the ashes. The Trust is the interpreter of that spirit of the 1930s to New Zealand in the 2020s.

Each of our activities operates to articulate one, two or possibly all three of these functions - our volunteers as a clear example, to whom we have the highest respect and gratitude for their unfailing support and dedication to the Trust – are, on their daily guided walking tours, guardians, storytellers and interpreters and do it so expertly! For their enduring support we, the Board and staff are extremely grateful.

We look forward to sharing more about the plans for the years ahead as they roll out.

New initiatives of the Board have been the creation of four (4) new subcommittees to have greater overview of our activities:

- Health, Safety and Wellbeing, led by Jeremy, with Board member Pamela Reading Windle with representation of staff and volunteers;
- Risk, Finance and Audit, lead Rachel Bashnick and myself;
- Festival and Events, led by Tania Wright, Ben Hutton with John Cocking; and
- Buildings and Assets, led by Simon Dunn, with Pamela and myself.

The four committees meet periodically and as required and give the Board greater insights and oversight into the organisation as we manage our current COVID-19 conditions.

Our people

Joining the Trust just prior to the last AGM Jeremy initially engaged as Heritage Manager was confirmed by the Board in January this year as Heritage Manager and General Manager, with oversight of the entire operations of the Trust.

We are pleased to welcome Matthew Bonnett as our Membership and Marketing Coordinator, who replaces Freya Snelling, who left us to live in Melbourne. Also joining the Trust this year, we welcome Hannah Braddick into the role of Events Coordinator, vacated by Jo Muniolo who midyear accepted a role with Napier City Council.

As per each year – we gain new Volunteers and Members, we welcome you and thank you for your support of the Trust. To Volunteers and Members who have left us over the past 12 months – thank you for your service and support over the years.

Our Activities

Heritage

Lead by Jeremy, two rounds of the Robert McGregor Heritage Fund grants were held in during the year – one in February and August – providing funds to building owners in support of their restoration projects. Buildings such as Hawke’s Bay Chambers, Central Fire Station, the former Ross & Glendinning now the Antiques Centre on Tennyson Street to name a few have been recent recipients of modest contributions to the eye watering costs building owner front in ensuring their buildings are fit for purpose and beautiful to look at.

In partnership with Napier City Council, the Trust is actively fundraising to increase our annual disbursement. As part of our fundraising focus, we will not be holding our Art Deco Awards in 2021 – but currently working with our Council partners from across Hawke’s Bay – to co-host the inaugural Hawke’s Bay Regional Heritage Awards in July 2022 to kick start our Winter Deco celebrations. With the support of our Council partners, local and regional businesses as sponsors, the Awards will be held every two years, to recognise excellence in heritage and history retention and conservation, heritage tourism and heritage story telling within the public and private sector and will promote the values of best practice heritage retention and conservation to the wider community.

A light shines upon the many unsung heroes of the heritage sector.

More details to be announced early in 2022.

Walks & Tours and Retail

Due to the lack of demand for walks, the tours have been limited for the present, but have shown to have better than expected participation, however, we are still seeing significantly lower numbers than we did pre-COVID-19. We are now operating Summer and Winter hours.

Abby, Melissa, and Fiona together with the volunteers have given the retail shop another tidy up recently and it looks fantastic, newly painted. Retail sales through the shop are doing considerably better than budgeted, which again is much lower than in previous year, so we are hopeful that the strong domestic tourism will continue into this coming summer.

Festivals and Events

Preparations for Winter Deco were well underway when Jo left the Trust, and we are pleased to report our Winter Deco Weekend celebrations were one of the most successful yet – in attendance and dollars generated. A modest affair when compared to the Summer Festival, Winter Deco surprised many at the Trust with over 65% of tickets sold to visitors from outside Hawke’s Bay!

Operating under COVID-19 restrictions continues to be a nervous time for many in the events industry and like everyone else, we closely follow Government and Health advice as we plan for the months and years ahead. As reported at the last AGM, various reports over the years have recommended that the Art Deco Festival Napier be removed into its separate entity. One of the main reasons given is the financial risk to the Trust from the Festival. The Board has considered this.

Rather than separate, the Board choose to scale the Festival more appropriately, reducing the number of self-produced events, focusing on profitability and quality over quantity. Ticketed events produced by the Trust during the festival have been reduced by a third, therefore removing some of the inherent risk. The Festival programme is in no way diminished and will again showcase the very best and finest Hawke's Bay Art Deco era heritage.

Greg, who has now been joined by Hannah, with support from the Festival and Events Subcommittee, have put together a fantastic programme which will go on sale Thursday, 28 October for members, and then on Wednesday, 3 November for the general public.

Assets

As shared with volunteers/members over 18 months ago, it was revealed that rent paid on 7 Tennyson Street was nearing \$100,000 before COVID-19. For clarity, our rent at 100% is \$70k, we pay additional fees and charges, such as building and content insurance, security, rates, etc. taking the total we pay for the building to almost \$90k. We are currently paying only 50% rent, by virtue of the generosity of our landlord, plus all other additional fees and charges.

Like many volunteers/members the Board is still of the opinion that we would be better served by owning our own building, making the sustainability of the Trust more secure.

The Board has commenced due diligence on the present building about the possibility of purchasing it. The purchase of the building will require an information sharing evening, and then a special general meeting for approval. The landlord is open to us purchasing the building and currently, we are looking at our options.

We are pleased to report that we have signed a three (3) year service level agreement with Napier City Council for our financial years: 2021-22; 2022-23; 2023-24. Supporting operational costs, contributing to the Robert McGregor Heritage Fund, and directly supporting part of the Summer Festival – we are extremely grateful to the ongoing support we receive from the Council, which gives certainty, particularly during these uncertain times.

We are equally grateful to all our supporters – financial, volunteers, donors, sponsors and key relationships – who enable the Trust to deliver on our purpose and commitment to our heritage. We are extremely grateful to you for your ongoing support.

Financial Report year ended 31 August 2021

It is very pleasing to report that the surplus for the year was \$74,211.

Our year end total equity was \$741,440.

Our financial reserves were also good with \$542,196 cash/cash equivalents in the bank.

The end of year surplus while an excellent outcome in these difficult times this was enabled by the Government STAPP Funding of \$317,000. This amount will be reduced in 2021-22 to \$183,000.

The Board is very cognisant of our financial situation. Due to the ongoing uncertainty of the impact of the loss of international tourism, we must still take a conservative approach to our cash management.

Conclusion

I would like to finish by thanking the staff of the Trust, volunteers, and Board for their efforts during what has been another challenging year for the Trust.

Departing the Board (and New Zealand), I would like to thank Stuart Ainslie for his service as Board member and as interim Chair. I thank him on behalf of the Board for his service and commitment to the Trust.

We all want the same outcomes of the Art Deco Trust's mission for the preservation, restoration, promotion and celebration of our unique heritage and I hope you all will join me in ensuring that the Spirit of Art Deco shines brightly on into the future.

The Board looks forward to working with you all as we fulfil our purpose over this coming year.

Best wishes,

A handwritten signature in blue ink, appearing to read 'Barbara Arnott', with a stylized flourish at the end.

Barbara Arnott
Chair
Art Deco Trust Napier